



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015
OF THE CONDITION AND AFFAIRS OF THE

Physicians Health Plan

NAIC Group Code

3408

3408

(Current)

(Prior)

NAIC Company Code

95849

Employer's ID Number

38-2356288

Organized under the Laws of

Michigan

, State of Domicile or Port of Entry

Michigan

Country of Domicile

United States of America

Licensed as business type:

Health Maintenance Organization

Is HMO Federally Qualified? Yes [☐] No [☒]

Incorporated/Organized

12/18/1980

Commenced Business

10/01/1981

Statutory Home Office

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

Main Administrative Office

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

517-364-8400

(Area Code) (Telephone Number)

Mail Address

1400 East Michigan Avenue

(Street and Number or P.O. Box)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

Primary Location of Books and Records

1400 East Michigan Avenue

(Street and Number)

Lansing , MI, US 48912

(City or Town, State, Country and Zip Code)

517-364-8400

(Area Code) (Telephone Number)

Internet Website Address

www.phpmichigan.com

Statutory Statement Contact

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OFFICERS

President

Dennis Reese

Chairperson

James Butler III

Secretary

Thomas Hofman PhD

OTHER

DIRECTORS OR TRUSTEES

Diana Rodriguez Algra	James Butler III	April Clobes
Merritta Proctor	MaryLee Davis PhD	Timothy Hodge DO
Thomas Hofman PhD	James Tischler	David Kaufman DO
Shalimar Maynard	Deborah Muchmore	Dennis Swan
Mark Brett	Brittany Bogan	

State of

Michigan

County of

Ingham

SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Dennis Reese

President

Thomas Hofman, PhD

Secretary

James Butler, III

Chairperson

Subscribed and sworn to before me this

day of

a. Is this an original filing? Yes [☒] No [☐]

b. If no,

1. State the amendment number.....

2. Date filed

3. Number of pages attached.....

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)			0	0
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	44,358,804		44,358,804	44,729,121
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances)	2,057,546	0	2,057,546	1,678,334
4.2 Properties held for the production of income (less \$0 encumbrances)			0	0
4.3 Properties held for sale (less \$0 encumbrances)			0	0
5. Cash (\$(2,596,199) , Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$19,795,409 , Schedule DA)	17,199,210		17,199,210	27,758,542
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	11,021,765		11,021,765	8,494,341
9. Receivables for securities			0	787,213
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	74,637,325	0	74,637,325	83,447,551
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	1,536	0	1,536	428
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,063,642	20,184	1,043,458	515,096
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	565,748	0	565,748	124,361
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	4,900,589	3,511,614	1,388,975	45,486
21. Furniture and equipment, including health care delivery assets (\$)	3,852	3,852	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	1,950,862	0	1,950,862	1,357,713
24. Health care (\$685,900) and other amounts receivable	2,071,906	1,366,398	705,508	796,892
25. Aggregate write-ins for other than invested assets	981,041	981,041	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	86,176,502	5,883,089	80,293,413	86,287,527
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	86,176,502	5,883,089	80,293,413	86,287,527
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid Assets	981,041	981,041	0	0
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	981,041	981,041	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$333,000 reinsurance ceded)	13,006,368	716,953	13,723,322	13,200,353
2. Accrued medical incentive pool and bonus amounts	587,843		587,843	4,295,222
3. Unpaid claims adjustment expenses	258,078		258,078	240,539
4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	1,686,283		1,686,283	1,421,575
9. General expenses due or accrued	4,080,942		4,080,942	4,710,065
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	159,345		159,345	0
12. Amounts withheld or retained for the account of others	141,723		141,723	128,765
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	1,477,794		1,477,794	1,668,677
16. Derivatives			0	0
17. Payable for securities			0	787,213
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	21,398,378	716,953	22,115,331	26,452,410
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX		
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	1,345,000	0
31. Unassigned funds (surplus)	XXX	XXX	56,833,082	59,835,118
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	58,178,082	59,835,118
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	80,293,413	86,287,528
DETAILS OF WRITE-INS				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001. Health Insurers Tax	XXX	XXX	1,345,000	0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	1,345,000	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	393,510	369,118
2. Net premium income (including \$ non-health premium income)	XXX	162,927,244	158,150,283
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	(271,397)
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	162,927,244	157,878,886
Hospital and Medical:			
9. Hospital/medical benefits		92,474,757	85,288,122
10. Other professional services		6,316,288	8,227,828
11. Outside referrals			0
12. Emergency room and out-of-area		12,601,513	11,347,943
13. Prescription drugs		34,839,093	30,007,345
14. Aggregate write-ins for other hospital and medical	0	0	1,190,263
15. Incentive pool, withhold adjustments and bonus amounts		887,159	4,409,352
16. Subtotal (Lines 9 to 15)	0	147,118,810	140,470,853
Less:			
17. Net reinsurance recoveries		2,226,756	717,728
18. Total hospital and medical (Lines 16 minus 17)	0	144,892,055	139,753,126
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$3,385,330 cost containment expenses		4,934,883	4,351,792
21. General administrative expenses		15,373,278	13,556,818
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	165,200,216	157,661,736
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(2,272,972)	217,151
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		2,627,688	640,784
26. Net realized capital gains (losses) less capital gains tax of \$		138,690	2,005,706
27. Net investment gains (losses) (Lines 25 plus 26)	0	2,766,378	2,646,490
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses	0	(25,000)	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	468,406	2,863,640
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	468,406	2,863,640
DETAILS OF WRITE-INS			
0601. HHS Reimbursement high risk pool program	XXX		(271,397)
0602.	XXX		0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	(271,397)
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401. Other Medical		0	1,190,263
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	1,190,263
2901. Provision for Bad Debt		(25,000)	0
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	(25,000)	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	59,835,118	58,205,414
34. Net income or (loss) from Line 32	468,406	2,863,640
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	(3,210,346)	(229,853)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	1,084,906	(1,004,083)
40. Change in unauthorized and certified reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(1,657,035)	1,629,704
49. Capital and surplus end of reporting period (Line 33 plus 48)	58,178,083	59,835,118
DETAILS OF WRITE-INS		
4701.		0
4702.		0
4703.		0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	162,802,751	161,945,878
2. Net investment income	2,626,579	640,844
3. Miscellaneous income	1,158,853	147,102
4. Total (Lines 1 through 3)	166,588,183	162,733,824
5. Benefit and loss related payments	149,593,876	141,587,510
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	20,944,745	16,334,001
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	170,538,621	157,921,511
11. Net cash from operations (Line 4 minus Line 10)	(3,950,438)	4,812,313
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	1,675,980	2,137,466
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	787,213	28,384
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,463,193	2,165,850
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	6,904,745	3,306,063
13.3 Mortgage loans	0	0
13.4 Real estate	517,275	17,969
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	787,213	28,385
13.7 Total investments acquired (Lines 13.1 to 13.6)	8,209,233	3,352,417
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(5,746,040)	(1,186,567)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(862,854)	(222,537)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(862,854)	(222,537)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(10,559,332)	3,403,209
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	27,758,542	24,355,333
19.2 End of year (Line 18 plus Line 19.1)	17,199,210	27,758,542

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	162,927,244	162,927,244						0		
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	162,927,244	162,927,244	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	92,474,757	92,474,757						0		XXX
9. Other professional services	6,316,288	6,316,288						0		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	12,601,513	12,601,513						0		XXX
12. Prescription drugs	34,839,093	34,839,093						0		XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	887,159	887,159						0		XXX
15. Subtotal (Lines 8 to 14)	147,118,810	147,118,810	0	0	0	0	0	0	0	XXX
16. Net reinsurance recoveries	2,226,756	2,226,756						0		XXX
17. Total medical and hospital (Lines 15 minus 16)	144,892,055	144,892,055	0	0	0	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$3,385,330 cost containment expenses	4,934,883	4,934,883						0		
20. General administrative expenses	15,373,278	15,373,278						0		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	165,200,216	165,200,216	0	0	0	0	0	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	(2,272,972)	(2,272,972)	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. Other	0	0								XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	164,837,756	0	1,910,512	162,927,244
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	0			0
7. Title XIX - Medicaid	0			0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	164,837,756	0	1,910,512	162,927,244
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	164,837,756	0	1,910,512	162,927,244

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	145,107,862	145,103,570						3,003	1,289	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	1,466,369	1,466,369						0		
1.4 Net	143,641,494	143,637,202	0	0	0	0	0	3,003	1,289	0
2. Paid medical incentive pools and bonuses	4,594,538	4,594,538						0		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	14,056,322	14,056,322	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	333,000	333,000	0	0	0	0	0	0	0	0
3.4 Net	13,723,322	13,723,322	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	587,843	587,843						0		
6. Net healthcare receivables (a)	(281,821)	(281,821)						0		
7. Amounts recoverable from reinsurers December 31, current year	565,748	565,748						0		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	13,214,353	13,214,353	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	14,000	14,000	0	0	0	0	0	0	0	0
8.4 Net	13,200,353	13,200,353	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	4,295,222	4,295,222				0				
11. Amounts recoverable from reinsurers December 31, prior year	124,361	124,361								
12. Incurred Benefits:										
12.1 Direct	146,231,652	146,227,360	0	0	0	0	0	3,003	1,289	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	2,226,756	2,226,756	0	0	0	0	0	0	0	0
12.4 Net	144,004,896	144,000,604	0	0	0	0	0	3,003	1,289	0
13. Incurred medical incentive pools and bonuses	887,159	887,159	0	0	0	0	0	0	0	0

(a) Excludes \$ loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	1,132,649	1,132,649						.0		
1.2 Reinsurance assumed0									
1.3 Reinsurance ceded0									
1.4 Net	1,132,649	1,132,649	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:										
2.1 Direct	12,923,673	12,923,673						.0		
2.2 Reinsurance assumed0									
2.3 Reinsurance ceded	333,000	333,000						.0		
2.4 Net	12,590,673	12,590,673	.0	.0	.0	.0	.0	.0	.0	.0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct0									
3.2 Reinsurance assumed0									
3.3 Reinsurance ceded0									
3.4 Net0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. TOTALS:										
4.1 Direct	14,056,322	14,056,322	.0	.0	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded	333,000	333,000	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	13,723,322	13,723,322	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	10,729,517	136,053,322	143,200	13,580,121	10,872,718	13,200,353
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	3,003				3,003	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid					0	0
8. Other health	1,289				1,289	0
9. Health subtotal (Lines 1 to 8)	10,733,809	136,053,322	143,200	13,580,121	10,877,010	13,200,353
10. Healthcare receivables (a)	2,624,437	962,587	17,965	1,842,427	2,642,402	2,142,212
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	4,100,453	494,085	0	587,843	4,100,453	4,295,222
13. Totals (Lines 9 - 10 + 11 + 12)	12,209,825	135,584,819	125,236	12,325,538	12,335,061	15,353,363

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	12,628	12,805	12,795	12,795	12,795
2.	2011	128,980	138,746	138,745	138,748	138,748
3.	2012	XXX	136,237	150,686	150,739	150,722
4.	2013	XXX	XXX	128,299	143,333	143,395
5.	2014	XXX	XXX	XXX	129,596	144,381
6.	2015	XXX	XXX	XXX	XXX	136,547

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	12,628	12,805	12,795	12,795	12,795
2.	2011	128,980	138,746	138,745	138,748	138,748
3.	2012	XXX	136,237	150,686	150,739	150,722
4.	2013	XXX	XXX	128,299	143,333	143,395
5.	2014	XXX	XXX	XXX	129,596	144,524
6.	2015	XXX	XXX	XXX	XXX	150,715

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	153,909	138,748	3,278	2.4	142,026	92.3	0	0	142,026	92.3
2. 2012	160,698	150,722	3,979	2.6	154,701	96.3	0	0	154,701	96.3
3. 2013	159,182	143,395	3,709	2.6	147,104	92.4	0	0	147,104	92.4
4. 2014	159,841	144,381	3,821	2.6	148,202	92.7	143	0	148,345	92.8
5. 2015	164,838	136,547	4,917	3.6	141,465	85.8	14,168	258	155,891	94.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	0	0	0	0	0
2.	2011	1,953	2,081	2,080	2,080	2,080
3.	2012	XXX	2,312	2,522	2,522	2,522
4.	2013	XXX	XXX	1,913	2,123	2,126
5.	2014	XXX	XXX	XXX	38	38
6.	2015	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	0	0	0	0	0
2.	2011	1,953	2,081	2,080	2,080	2,080
3.	2012	XXX	2,312	2,522	2,522	2,522
4.	2013	XXX	XXX	1,913	2,123	2,126
5.	2014	XXX	XXX	XXX	38	38
6.	2015	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2011	2,624	2,080	52	2.5	2,132	81.3			2,132	81.3
2.	2012	2,162	2,522	65	2.6	2,587	119.7			2,587	119.7
3.	2013	1,692	2,126	47	2.2	2,173	128.4			2,173	128.4
4.	2014	50	38	45	118.4	83	166.0			83	166.0
5.	2015	0	0	0	0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	0	1	1	1	1
2.	2011	12,612	16,564	16,564	16,567	16,567
3.	2012	XXX	43,953	51,252	51,262	51,262
4.	2013	XXX	XXX	37,038	37,571	37,572
5.	2014	XXX	XXX	XXX		0
6.	2015	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	0	1	1	1	1
2.	2011	12,612	16,565	16,567	16,567	16,657
3.	2012	XXX	43,953	51,262	51,262	51,262
4.	2013	XXX	XXX	37,038	37,571	37,572
5.	2014	XXX	XXX	XXX		0
6.	2015	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2011	1,623	16,567	95	0.6	16,662	1,026.6			16,662	1,026.6
2. 2012	5,124	51,262	148	0.3	51,410	1,003.3			51,410	1,003.3
3. 2013	3,857	37,572	111	0.3	37,683	977.0			37,683	977.0
4. 2014				0.0	0	0.0			0	0.0
5. 2015				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	NONE				
2.	2011					
3.	2012					
4.	2013					
5.	2014					
6.	2015					

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2011	2 2012	3 2013	4 2014	5 2015
1.	Prior	NONE				
2.	2011					
3.	2012					
4.	2013					
5.	2014					
6.	2015					

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2011	158,156	157,395	3,425	2.2	160,820	101.7	0	0	160,820	101.7
2.	2012	167,984	204,506	4,192	2.0	208,698	124.2	0	0	208,698	124.2
3.	2013	164,731	183,093	3,867	2.1	186,960	113.5	0	0	186,960	113.5
4.	2014	159,891	144,419	3,866	2.7	148,285	92.7	143	0	148,428	92.8
5.	2015	164,838	136,547	4,917	3.6	141,465	85.8	14,168	258	155,891	94.6

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves0								
2. Additional policy reserves (a)0								
3. Reserve for future contingent benefits0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income0								
5. Aggregate write-ins for other policy reserves0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross)0	.0	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded0								
8. Totals (Net)(Page 3, Line 4)0	.0	.0	.0	.0	.0	.0	.0	.0
9. Present value of amounts not yet due on claims0								
10. Reserve for future contingent benefits0								
11. Aggregate write-ins for other claim reserves0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross)0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.0								
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.0								
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ for occupancy of own building)	111,199	50,898	504,969	0	667,066
2. Salary, wages and other benefits	1,065,914	487,897	4,840,472	0	6,394,283
3. Commissions (less \$ ceded plus \$ assumed)	189,506	86,742	860,577	0	1,136,825
4. Legal fees and expenses	11,373	5,206	51,645	0	68,223
5. Certifications and accreditation fees	8,948	4,096	40,636	0	53,680
6. Auditing, actuarial and other consulting services	352,516	161,356	1,600,826	0	2,114,698
7. Traveling expenses					0
8. Marketing and advertising	73,152	33,483	332,192	0	438,828
9. Postage, express and telephone	21,986	10,064	99,842	0	131,891
10. Printing and office supplies	85,019	38,915	386,084	0	510,019
11. Occupancy, depreciation and amortization	104,790	47,965	475,866	0	628,621
12. Equipment	870	398	3,951	0	5,219
13. Cost or depreciation of EDP equipment and software					0
14. Outsourced services including EDP, claims, and other services	555,374	254,209	2,522,035	0	3,331,619
15. Boards, bureaus and association fees	664	304	3,014	0	3,981
16. Insurance, except on real estate	8,617	3,944	39,130	0	51,690
17. Collection and bank service charges	7,857	3,596	35,681	0	47,135
18. Group service and administration fees	81,990	37,529	372,330	0	491,849
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes	6,331	2,898	28,750	0	37,979
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	197,330	90,323	896,104	0	1,183,756
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees	431,798	197,645	1,960,857	0	2,590,300
23.4 Payroll taxes	62,390	28,557	283,320	0	374,267
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere	0	0	0	109,989	109,989
25. Aggregate write-ins for expenses	7,707	3,528	34,998	0	46,232
26. Total expenses incurred (Lines 1 to 25)	3,385,330	1,549,553	15,373,278	109,989	(a) 20,418,151
27. Less expenses unpaid December 31, current year ..	177,042	81,037	4,080,942	0	4,339,020
28. Add expenses unpaid December 31, prior year	165,010	75,529	4,710,065		4,950,604
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,373,298	1,544,046	16,002,401	109,989	21,029,735
DETAILS OF WRITE-INS					
2501. Other	7,707	3,528	34,998	0	46,232
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	7,707	3,528	34,998	0	46,232

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds	(a)
1.1	Bonds exempt from U.S. tax	(a)
1.2	Other bonds (unaffiliated)	(a)
1.3	Bonds of affiliates	(a)
2.1	Preferred stocks (unaffiliated)	(b)
2.11	Preferred stocks of affiliates	(b)
2.2	Common stocks (unaffiliated)	2,736,646	2,736,646
2.21	Common stocks of affiliates
3.	Mortgage loans	(c)
4.	Real estate	(d)
5	Contract Loans
6	Cash, cash equivalents and short-term investments	(e) 2,139	1,031
7	Derivative instruments	(f)
8.	Other invested assets
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	2,738,785	2,737,677
11.	Investment expenses	(g) 109,989
12.	Investment taxes, licenses and fees, excluding federal income taxes	(g) 0
13.	Interest expense	(h)
14.	Depreciation on real estate and other invested assets	(i)
15.	Aggregate write-ins for deductions from investment income	0
16.	Total deductions (Lines 11 through 15)	109,989
17.	Net investment income (Line 10 minus Line 16)	2,627,688
DETAILS OF WRITE-INS			
0901.
0902.
0903.
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.
1502.
1503.
1598.	Summary of remaining write-ins for Line 15 from overflow page	0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)	0

- (a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$. investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	0	0	0	0	0
1.1	Bonds exempt from U.S. tax	0
1.2	Other bonds (unaffiliated)	0	0	0	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	138,690	0	138,690	(3,045,514)	0
2.21	Common stocks of affiliates	0	0	0	(2,692,258)	0
3.	Mortgage loans	0	0	0	0
4.	Real estate	0	0	0
5.	Contract loans	0
6.	Cash, cash equivalents and short-term investments	0
7.	Derivative instruments	0
8.	Other invested assets	0	0	2,527,424	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	138,690	0	138,690	(3,210,348)	0
DETAILS OF WRITE-INS						
0901.
0902.
0903.
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

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EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0		0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued	0		0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	20,184		(20,184)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0		0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans			0
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset			0
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software	3,511,614	4,791,076	1,279,462
21. Furniture and equipment, including health care delivery assets	3,852	10,991	7,140
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates	0		0
24. Health care and other amounts receivable	1,366,398	1,357,844	(8,554)
25. Aggregate write-ins for other than invested assets	981,041	808,083	(172,958)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,883,089	6,967,994	1,084,906
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	5,883,089	6,967,994	1,084,906
DETAILS OF WRITE-INS			
1101.		0	0
1102.		0	0
1103.		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. PREPAIDS	981,041	808,083	(172,958)
2502.		0	0
2503.		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	981,041	808,083	(172,958)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	30,136	32,103	32,418	33,960	33,972	393,510
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	30,136	32,103	32,418	33,960	33,972	393,510
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

STATEMENT AS OF December 31, 2015 OF THE PHYSICIANS HEALTH PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1

Summary of Significant Accounting Policies

1.Summary of Significant Accounting Policies

A.Accounting Practices

The financial statements of Physicians Health Plan are presented on the basis of accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (DIFS).

DIFS recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

A reconciliation of Physicians Health Plan's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

	State of Domicile	2015	2014
NET INCOME			
(1) State basis (Page 4, Line 32, Columns 2 & 4)	MI	468,406	2,863,640
(2) State Prescribed Practices that increase/(decrease) NAIC SAP			
(3) State Permitted Practices that increase/(decrease) NAIC SAP			
(4) NAIC SAP (1-2-3=4)	MI	468,406	2,863,640
SURPLUS			
(5) State basis (Page 3, Line 33, Columns 3 & 4)	MI	58,178,082	59,835,118
(6) State Prescribed Practices that increase/(decrease) NAIC SAP			
(7) State Permitted Practices that increase/(decrease) NAIC SAP			
(8) NAIC SAP (5-6-7=8)	MI	58,178,082	59,835,118

B. Use of Estimates

In preparing the financial statements in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual, management makes estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

1.

Short term investments are stated at amortized cost or at market value depending upon the respective investment.
2.

Bonds
Not applicable
3.

Common stocks are stated at market value.
4.

Preferred stocks
Not applicable
5.

Mortgage loans
Not applicable
6.

Loan-backed securities
Not applicable
7.

Investments in subsidiaries, controlled and affiliated companies

PHP records its investment in Sparrow PHP, a wholly owned subsidiary licensed as a Health Maintenance Organization (HMO) by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.

PHP records its investment in PHP Service Company, a wholly owned subsidiary licensed as a Third Party Administrator by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.

PHP records its investment in PHP Insurance Company, a wholly owned subsidiary licensed by the state of Michigan, using the audited statutory equity method and reports the increase or decrease in the investment as a change in unrealized gain or loss for capital & surplus.
8.

Investments in joint ventures, partnerships and limited liability companies
Not applicable
9.

Derivatives
Not applicable
10.

Premium deficiency reserves
Not applicable
11.

Estimating the liabilities for losses and loss/claim adjustment expenses: Estimates on unpaid losses are based upon the plan's past experience, individual case estimates and an estimate for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. Loss/claim adjustment expenses related to claims are accrued based on estimates of expenses to process those claims.

STATEMENT AS OF December 31, 2015 OF THE PHYSICIANS HEALTH PLAN

12. PHP has not modified its capitalization from the prior period.

NOTE 2
Accounting Changes and Corrections of Errors

Not Applicable

NOTE 3
Business Combinations and Goodwill

Not Applicable

NOTE 4
Discontinued Operations

Not Applicable

NOTE 5
Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans
Not Applicable

B. Debt Restructuring
Not Applicable

C. Reverse Mortgages
Not Applicable

D. Loan-Backed Securities
Not Applicable

E. Repurchase Agreements and/or Securities Lending Transactions
Not Applicable

F. Writedowns for Impairments of Real Estate and Retail Land Sales
Not Applicable

G. Low Income Housing Tax Credits
Not Applicable

H.Restricted Assets

1. Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown			0		0.000	0.000
b. Collateral held under security lending agreements			0		0.000	0.000
c. Subject to repurchase agreements			0		0.000	0.000
d. Subject to reverse repurchase agreements			0		0.000	0.000
e. Subject to dollar repurchase agreements			0		0.000	0.000
f. Subject to dollar reverse repurchase agreements			0		0.000	0.000
g. Placed under option contracts			0		0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock			0		0.000	0.000
i. FHLB capital stock			0		0.000	0.000
j. On deposit with states	1,156,696	1,158,741	(2,045)	1,156,696	1.342	1.441
k. On deposit with other regulatory bodies			0		0.000	0.000
l. Pledged collateral to FHLB (including assets backing funding agreements)			0		0.000	0.000
m. Pledged as collateral not captured in other categories			0		0.000	0.000
n. Other restricted assets			0		0.000	0.000
o. Total Restricted Assets	1,156,696	1,158,741	(2,045)	1,156,696	1.342	1.441

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)
Not Applicable

3. Detail of Other Restricted Assets (Contracts That Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate)
Not Applicable

I. Working Capital Finance Investments
Not Applicable

J. Offsetting and Netting of Assets and Liabilities
Not Applicable

K. Structured Notes
Not Applicable

NOTE 6
Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

STATEMENT AS OF December 31, 2015 OF THE PHYSICIANS HEALTH PLAN

NOTE 7
Investments Income

- A. Accrued Investment Income
The Company does not admit investment income due and accrued if amounts are over 90 days past due.
- B. Amounts Nonadmitted
Not applicable.

NOTE 8
Derivatives Instruments

Not Applicable

NOTE 9
Income Taxes

PHP is exempt from income taxes under Section 501 (c) (4) of the Internal Revenue Code.

NOTE 10
Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A, B, C, D, E, F, G
- PHP is a controlled entity of Sparrow Health System (SHS). Certain administrative expenses such as payroll are processed under a centralized Sparrow system. The financial statements have been prepared from separate records maintained by Sparrow, with certain expense items representing allocations from Sparrow.
- PHP has a contract with Physicians Health Network (PHN). PHP members obtain medical services from PHN.
- Sparrow PHP is a not-for-profit HMO organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to Sparrow PHP for services which apply to the Sparrow PHP participants.
- PHP Insurance Company (PHP IC) is a for-profit company organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to PHP IC for services which apply directly to PHP IC. During the year ended December 31, 2015 PHP made a capital contributions to PHP IC totaling \$2,575,000.
- PHP Service Company (PHP SC) is a for-profit company organized under the laws of the state of Michigan and is a wholly-owned subsidiary of PHP. Certain administrative expenses are charged to PHP SC for services which apply directly to PHP SC.

Name of Insurers and Parent, Subsidiaries or Affiliates	Capital Contributions	Management Agreements and Service Contacts
Physicians Health Network		\$205,241,797
Physicians Health Plan	\$(2,575,000)	\$(206,908,764)
Sparrow PHP		\$(5,812,174)
PHP Service Company	\$2,575,000	\$(3,043,245)
PHP Insurance Company		\$(3,494,617)
Sparrow Health System		\$14,017,003

- H. Amount Deducted for Investment in Upstream Company
Not Applicable
- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets
Not Applicable
- J. Writedowns for Impairment of Investments in Affiliates
Not Applicable
- K. Foreign Subsidiary Valued Using CARVM
Not Applicable
- L. Downstream Holding Company Valued Using Look-Through Method
Not Applicable

NOTE 11
Debt

Not Applicable

NOTE 12
Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Some PHP employees are covered by a noncontributory pension plan sponsored by SHS (the “Plan”). Pension benefits under the Plan are based on years of service and the employee’s compensation during the last five years of employment. The policy of the Plan is to contribute an amount equal to or at least the actuarially determined minimum funding requirement. Contributions are intended to provide for benefits attributed to service to date and for those expected to be earned in the future. Plan assets are invested primarily in equities and fixed income securities. Other PHP employees are covered by an approved 401(k) program. PHP paid \$608,000 and \$459,000 to SHS in 2015 and 2014, respectively, for their pension costs.

NOTE 13
Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- (1) Outstanding Stock

Not applicable
- (2) Dividend Rate of Preferred Stock

Not applicable
- (3) (4) (5) (6)Dividend Restrictions

The amount of dividends which can be paid by the state of Michigan insurance companies to shareholders without prior approval by DIFS (the Commissioner of Insurance) is subject to restrictions relating to statutory surplus. Dividends may only be paid out of the surplus earnings of the PHP. There is currently no dividend payable.
- (7) Mutual Advances to Surplus

Not applicable
- (8) Company Stock Held for Special Purposes

Not applicable
- (9) Changes in Special Surplus Funds

Not applicable

STATEMENT AS OF December 31, 2015 OF THE PHYSICIANS HEALTH PLAN

(10) Changes in Unassigned Funds

Not applicable

(11) Surplus Notes

Not applicable

(12) (13) Quasi Reorganizations

Not applicable

NOTE 14
Liabilities, Contingencies and Assessments

Not Applicable

NOTE 15
Leases

Not Applicable

NOTE 16
Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not Applicable

NOTE 17
Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable

NOTE 18
Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not Applicable

NOTE 19
Direct Premium Written / Produced by Managing General Agents / Third Party Administrators

Not Applicable

NOTE 20
Fair Value Measurement

A. Inputs Used for Assets and Liabilities Measured and Reported at Fair Value

(1) Items Measured at Fair Value by Levels 1, 2 and 3

The Company has categorized its assets and liabilities that are reported on the balance sheet at fair value into the three-level fair value hierarchy as reflected in the table below. The three-level fair value hierarchy is based on the degree of subjectivity inherent in the valuation method by which fair value was determined. The three levels are defined as follows:

Level 1 - Quoted Prices in Active Markets for Identical Assets and Liabilities: This category, for items measured at fair value on a recurring basis, includes exchange-traded common stocks and mutual funds. The estimated fair value of the equity securities within this category are based on quoted prices in active markets and are therefore classified as Level 1.

Level 2 - Significant Other Observable Inputs: This category, for items measured at fair value on a recurring basis, includes bonds which are not exchange traded and common stock of a subsidiary which is valued using an adjusted market method. The estimated fair values of some of these bonds were determined by independent pricing services using observable inputs. Others were based on quotes from markets which were not considered actively traded. The Company has no Level 2 assets or liabilities.

Level 3 - Significant Unobservable Inputs: The Company has no Level 3 assets or liabilities.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Mutual Funds	35,698,718	35,698,715
Short-Term Investments	19,795,409	19,795,409
Total assets at fair value	55,494,127 00	55,494,127

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred between Levels 1 and 2. This policy also applies to transfers into or out of Level 3 as stated in paragraph 3 below.

No transfers between Levels 1 and 2 occurred during the current year.

(2) Rollforward of Level 3 Items

The Company has no assets or liabilities measured at fair value in the Level 3 category.

(3) Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

(4) Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 2 or 3 categories.

(5) Derivative Fair Values

Not applicable.

B. Other Fair Value Disclosures

Not applicable.

NOTE 21
Other Items

A. Extraordinary Items

Not applicable

B. Troubled Debt Restructuring for Debtors

Not applicable

STATEMENT AS OF December 31, 2015 OF THE PHYSICIANS HEALTH PLAN

C. Other Disclosures
No Significant Change

D. Business Interruption Insurance Recoveries
Not applicable

E. State Transferable and Non-Transferable Tax Credits
Not applicable

F. Subprime Mortgage Related Risk Exposure
Not applicable

G. Retained Assets
Not applicable

NOTE 22
Events Subsequent

Type II - Nonrecognized Subsequent Events:

	Current Year	Prior Year
A.Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	
B.ACA fee assessment payable for the upcoming year	\$ 1,345,000	\$
C.ACA fee assessment paid	\$ 1,252,509	\$ 992,007
D.Premium written subject to ACA 9010 assessment	\$ 166,816,273	\$ 159,891,602
E.Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$ 58,178,083	
F.Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 56,833,083	
G.Authorized Control Level (Five-Year Historical Line 15)	\$ 11,166,149	
H.Would reporting the ACA assessment as of Dec. 31, 2015 have triggered an RBC action level (YES/NO)?	NO	

Note 23
Reinsurance

- A. Ceded Reinsurance Report

Section 1 General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 Ceded Reinsurance Report - Part A.

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credit?

Yes () No (x)

(2) Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsured of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (x)

Section 3 Ceded Reinsurance Report - Part B.

(1) What is the estimated amount of the aggregate reduction in surplus, for agreements, not reflected in Section 2 above, of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$0.00

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement to include policies or contracts which were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (x)

B. Uncollectible Reinsurance

Not Applicable

C. Commutation of Ceded Reinsurance

Not Applicable

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

Not Applicable

STATEMENT AS OF December 31, 2015 OF THE PHYSICIANS HEALTH PLAN

NOTE 24

Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A-C. The Company does not participate in traditional retrospectively rated contracts.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act.

Not applicable
- E. Risk Sharing Provisions of the Affordable Care Act

(1)Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? Yes [X] No []

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year	AMOUNT
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	3,580
3. Premium adjustments payable due to ACA Risk Adjustment	1,179,000
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	1,182,580
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	158,521
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance – not reported as ceded premium	
5. Ceded reinsurance premiums payable due to ACA Reinsurance	
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	41,301
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	
9. ACA Reinsurance contributions – not reported as ceded premium	1,382,104
c. Temporary ACA Risk Corridors Program	
Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	18,000
Liabilities	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	
Operations (Revenue & Expense)	
3. Effect of ACA Risk Corridors on net premium income (paid/received)	
4. Effect of ACA Risk Corridors on change in reserves for rate credits	

STATEMENT AS OF December 31, 2015 OF THE PHYSICIANS HEALTH PLAN

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable					0				A	0	
2. Premium adjustments (payable)		30,362		741,697	0	(711,335)		711,335	B	0	0
3. Subtotal ACA Permanent Risk Adjustment Program	0	30,362	0	741,697	0	(711,335)	0	711,335		0	0
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid					0	0			C	0	0
2. Amounts recoverable for claims unpaid (contra liability)					0	0			D	0	0
3. Amounts receivable relating to uninsured plans					0	0			E	0	0
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium		1,543,991		1,543,991	0	0			F	0	0
5. Ceded reinsurance premiums payable					0	0			G	0	0
6. Liability for amounts held under uninsured plans					0	0			H	0	0
7. Subtotal ACA Transitional Reinsurance Program	0	1,543,991	0	1,543,991	0	0	0	0		0	0
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium					0	0			I	0	0
2. Reserve for rate credits or policy experience rating refunds					0	0			J	0	0
3. Subtotal ACA Risk Corridors Program	0	0	0	0	0	0	0	0		0	0
d. Total for ACA Risk Sharing Provisions	0	1,574,353	0	2,285,688	0	(711,335)	0	711,335		0	0

Explanations of Adjustments

- A.
- B. Final Risk Adjustment transfer amount related to the year ended 12/31/2014 was received and paid during the Third Quarter 2015. This balance was not estimatable as of yearend, thus resulted in this adjustment.
- C.
- D.
- E.
- F.
- G.
- H.
- I.
- J.

Note 25
Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2014 were \$13.2 million. As of December 31, 2015, \$12.5 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$143,000 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been favorable prior-year development of approximately \$513,000 since December 31, 2014 to December 31, 2015. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates increase or decrease, as additional information becomes known regarding individual claims.

Note 26
Intercompany Pooling Arrangements

Not Applicable

Note 27
Structured Settlements

Not Applicable

STATEMENT AS OF December 31, 2015 OF THE PHYSICIANS HEALTH PLAN

NOTE 28
Health Care Receivables

A. Healthcare receivables include pharmacy rebates PHP receives from third party vendors. These rebates are calculated using estimates based on per claim guarantee calculations, historical rebate trends and membership. Activity for the previous three years is summarized as follows:

Date	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2015671671
.....					
09/30/2015669669282
.....					
06/30/2015647647402
.....					
03/31/2015597597276
.....					
12/31/2014784784815
.....					
09/30/2014798798447466
.....					
06/30/2014804804447433
.....					
03/31/2014806806455410
.....					
12/31/2013676676580
.....					
09/30/2013708708609
.....					
06/30/2013765765538
.....					
03/31/201377077066969
.....					

Note 29
Participating Policies

Not Applicable

Note 30
Premium Deficiency Reserves

Not Applicable

Note 31
Anticipated Salvage and Subrogation

Not Applicable

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State Regulating?

Michigan

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2011

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2011

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/29/2013

3.4

By what department or departments?
Michigan Department of Insurance and Financial Services

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [X] No [] N/A []

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes [] No [X]
Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes [] No [X]
Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

ERNST & YOUNG LLP, SUITE 1000, ONE KENNEDY SQUARE, 777 WOODWARD AVENUE, DETROIT, MI 48226
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Erik C. Huth, FSA, MAAA, Brookfield, WI (Milliman)
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [] No [X]
- 12.11

Name of real estate holding company
- 12.12

Number of parcels involved
- 12.13

Total book/adjusted carrying value

\$
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

None
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [X] No []
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No [X]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] N/A [X]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [X] No []
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- | 1
American Bankers Association (ABA) Routing Number | 2
Issuing or Confirming Bank Name | 3
Circumstances That Can Trigger the Letter of Credit | 4
Amount |
|--|--------------------------------------|--|-------------|
| | | | |
| | | | |
| | | | |

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?	Yes	[X]	No	[]
17.	Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?	Yes	[X]	No	[]
18.	Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person?	Yes	[X]	No	[]

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?		Yes []	No [X]
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):	20.11 To directors or other officers.....\$ 20.12 To stockholders not officers.....\$ 20.13 Trustees, supreme or grand (Fraternal Only)\$		
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):	20.21 To directors or other officers.....\$ 20.22 To stockholders not officers.....\$ 20.23 Trustees, supreme or grand (Fraternal Only)\$		
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?		Yes []	No [X]
21.2	If yes, state the amount thereof at December 31 of the current year:	21.21 Rented from others.....\$ 21.22 Borrowed from others.....\$ 21.23 Leased from others\$ 21.24 Other\$		
22.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?		Yes []	No [X]
22.2	If answer is yes:	22.21 Amount paid as losses or risk adjustment \$ 22.22 Amount paid as expenses\$ 22.23 Other amounts paid\$		
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?		Yes [X]	No []
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:		\$	

24.01	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03).....	Yes	<input checked="" type="checkbox"/>	X		No	<input type="checkbox"/>		
24.02	If no, give full and complete information relating thereto								
24.03	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)								
24.04	Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes	<input type="checkbox"/>			No	<input type="checkbox"/>		N/A <input checked="" type="checkbox"/>
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$						
24.06	If answer to 24.04 is no, report amount of collateral for other programs.	\$						
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes	<input type="checkbox"/>			No	<input type="checkbox"/>		N/A <input checked="" type="checkbox"/>
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes	<input type="checkbox"/>			No	<input type="checkbox"/>		N/A <input checked="" type="checkbox"/>
24.09	Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?	Yes	<input type="checkbox"/>			No	<input type="checkbox"/>		N/A <input checked="" type="checkbox"/>

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	
		25.28 On deposit with states	\$	1,156,696
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☐ N/A ☒
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ☐ No ☒

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes ☒ No ☐

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
BNY Mellon	One mellon Center, Pittsburgh, PA 15259-0001

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes ☐ No ☒

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	SEI	1 Freedom Drive, Oaks, PA 19456

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?
- Yes [] No [X]
- 29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 - Total		0

- 29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	19,795,409	19,795,409	0
30.2 Preferred stocks	0		0
30.3 Totals	19,795,409	19,795,409	0

- 30.4 Describe the sources or methods utilized in determining the fair values:
NAIC Accounting Practices
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?
- Yes [] No [X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?
- Yes [] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?
- Yes [X] No []
- 32.2 If no, list exceptions:

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$108,681

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Health Plan Alliance	49,951
.....

34.1 Amount of payments for legal expenses, if any?\$133,364

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Foster Swift Collins & Smith	131,364
.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U.S. business only.

\$ _____

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ _____

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$ _____

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ _____ 0

1.6

Individual policies:

Most current three years:

1.61 Total premium earned\$ _____ 0

1.62 Total incurred claims\$ _____ 0

1.63 Number of covered lives _____ 0

All years prior to most current three years:

1.64 Total premium earned\$ _____ 0

1.65 Total incurred claims\$ _____ 0

1.66 Number of covered lives _____ 0

1.7

Group policies:

Most current three years:

1.71 Total premium earned\$ _____ 0

1.72 Total incurred claims\$ _____ 0

1.73 Number of covered lives _____ 0

All years prior to most current three years:

1.74 Total premium earned\$ _____ 0

1.75 Total incurred claims\$ _____ 0

1.76 Number of covered lives _____ 0

2.

Health Test:

1

Current Year

2

Prior Year

2.1 Premium Numerator164,905,761158,150,283

2.2 Premium Denominator162,927,244158,150,283

2.3 Premium Ratio (2.1/2.2)1.0121.000

2.4 Reserve Numerator13,723,32217,495,576

2.5 Reserve Denominator14,311,16517,495,576

2.6 Reserve Ratio (2.4/2.5)0.9591.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No [X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31 Comprehensive Medical\$ _____ 400,000

5.32 Medical Only\$ _____

5.33 Medicare Supplement\$ _____

5.34 Dental & Vision\$ _____

5.35 Other Limited Benefit Plan\$ _____

5.36 Other\$ _____

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

None

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?.....

Yes [X] No []

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

8.2 Number of providers at end of reporting year

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months...\$

9.22 Business with rate guarantees over 36 months\$

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

GENERAL INTERROGATORIES

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [] No [X]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$

10.22

Amount actually paid for year bonuses

\$

10.23

Maximum amount payable withholds

\$

10.24

Amount actually paid for year withholds

\$

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [] No [X]

11.13

An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14

A Mixed Model (combination of above)?

Yes [] No [X]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No []

11.3

If yes, show the name of the state requiring such minimum capital and surplus.

Michigan

11.4

If yes, show the amount required.

\$22,332,264

11.5

Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [] No [X]

11.6

If the amount is calculated, show the calculation

NA

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
State of Michigan

13.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$

13.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4

If yes, please provide the balance of funds administered as of the reporting date.

\$

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [] No [] N/A [X]

14.2

If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

15.

Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1

Direct Premium Written

\$

15.2

Total Incurred Claims

\$

15.3

Number of Covered Lives

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurantee)
Universal Life (with or without secondary gurantee)
Variable Universal Life (with or without secondary gurantee)

ANNUAL STATEMENT FOR THE YEAR 2015 OF THE Physicians Health Plan

FIVE-YEAR HISTORICAL DATA

	1 2015	2 2014	3 2013	4 2012	5 2011
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	80,293,413	86,287,527	83,161,867	79,948,043	70,272,205
2. Total liabilities (Page 3, Line 24)	22,115,331	26,452,410	24,956,453	27,221,508	23,468,576
3. Statutory minimum capital and surplus requirement	22,332,264	24,354,072	0	23,258,810	25,794,208
4. Total capital and surplus (Page 3, Line 33)	58,178,082	59,835,118	58,205,414	52,726,535	46,803,629
Income Statement (Page 4)					
5. Total revenues (Line 8)	162,927,244	157,878,886	195,271,425	214,590,468	171,877,815
6. Total medical and hospital expenses (Line 18)	144,892,055	139,753,126	178,892,609	197,866,840	157,179,539
7. Claims adjustment expenses (Line 20)	4,934,883	4,351,792	3,791,978	4,268,792	3,509,517
8. Total administrative expenses (Line 21)	15,373,278	13,556,818	11,812,868	13,298,252	10,932,939
9. Net underwriting gain (loss) (Line 24)	(2,272,972)	217,151	773,970	(843,416)	255,820
10. Net investment gain (loss) (Line 27)	2,766,378	2,646,490	2,250,206	799,016	3,756,822
11. Total other income (Lines 28 plus 29)	(25,000)	0	0	25,000	(435)
12. Net income or (loss) (Line 32)	468,406	2,863,640	3,024,176	(19,400)	4,012,207
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(3,950,438)	4,812,313	8,627,908	(50,154)	(2,119,386)
Risk-Based Capital Analysis					
14. Total adjusted capital	58,178,083	59,885,224	58,205,414	52,824,235	46,803,629
15. Authorized control level risk-based capital	11,166,149	12,177,036	12,081,121	11,629,405	12,897,104
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	33,972	30,136	31,901	36,614	34,750
17. Total members months (Column 6, Line 7)	393,510	369,118	405,089	420,519	403,697
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	88.9	88.4	109.6	119.1	100.8
20. Cost containment expenses	2.1	1.9	1.6	1.8	1.5
21. Other claims adjustment expenses	1.0	0.9	0.7	0.8	0.7
22. Total underwriting deductions (Line 23)	101.4	99.7	119.2	129.6	110.1
23. Total underwriting gain (loss) (Line 24)	(1.4)	0.1	0.5	(0.5)	0.2
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	12,335,061	13,496,903	19,438,260	14,665,077	12,836,506
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	15,353,363	17,420,491	23,084,765	18,535,039	14,087,521
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)			0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)			0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	8,660,087	8,777,344	8,702,138	8,982,259	9,182,148
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
31. All other affiliated	8,444,288	8,494,340	7,727,980	6,259,898	6,413,428
32. Total of above Lines 26 to 31	17,104,375	17,271,684	16,430,118	15,242,157	15,595,576
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []

If no, please explain:

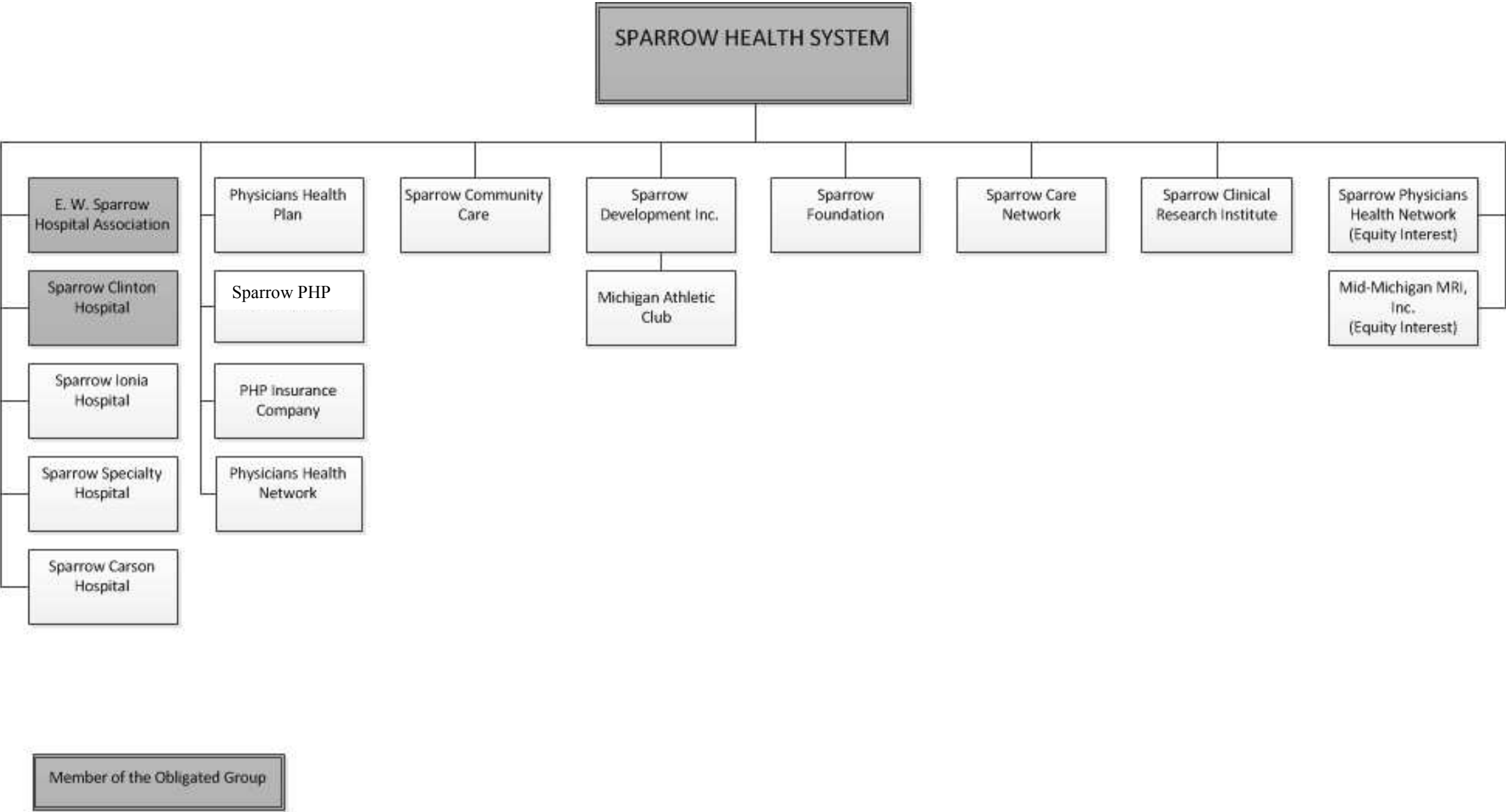
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories										
			1	Direct Business Only						
				2	3	4	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7
States, etc.			Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX				
1.	Alabama	AL	N							.0
2.	Alaska	AK	N							.0
3.	Arizona	AZ	N							.0
4.	Arkansas	AR	N							.0
5.	California	CA	N							.0
6.	Colorado	CO	N							.0
7.	Connecticut	CT	N							.0
8.	Delaware	DE	N							.0
9.	District of Columbia	DC	N							.0
10.	Florida	FL	N							.0
11.	Georgia	GA	N							.0
12.	Hawaii	HI	N							.0
13.	Idaho	ID	N							.0
14.	Illinois	IL	N							.0
15.	Indiana	IN	N							.0
16.	Iowa	IA	N							.0
17.	Kansas	KS	N							.0
18.	Kentucky	KY	N							.0
19.	Louisiana	LA	N							.0
20.	Maine	ME	N							.0
21.	Maryland	MD	N							.0
22.	Massachusetts	MA	N							.0
23.	Michigan	MI	L	164,837,756						164,837,756
24.	Minnesota	MN	N							.0
25.	Mississippi	MS	N							.0
26.	Missouri	MO	N							.0
27.	Montana	MT	N							.0
28.	Nebraska	NE	N							.0
29.	Nevada	NV	N							.0
30.	New Hampshire	NH	N							.0
31.	New Jersey	NJ	N							.0
32.	New Mexico	NM	N							.0
33.	New York	NY	N							.0
34.	North Carolina	NC	N							.0
35.	North Dakota	ND	N							.0
36.	Ohio	OH	N							.0
37.	Oklahoma	OK	N							.0
38.	Oregon	OR	N							.0
39.	Pennsylvania	PA	N							.0
40.	Rhode Island	RI	N							.0
41.	South Carolina	SC	N							.0
42.	South Dakota	SD	N							.0
43.	Tennessee	TN	N							.0
44.	Texas	TX	N							.0
45.	Utah	UT	N							.0
46.	Vermont	VT	N							.0
47.	Virginia	VA	N							.0
48.	Washington	WA	N							.0
49.	West Virginia	WV	N							.0
50.	Wisconsin	WI	N							.0
51.	Wyoming	WY	N							.0
52.	American Samoa	AS	N							.0
53.	Guam	GU	N							.0
54.	Puerto Rico	PR	N							.0
55.	U.S. Virgin Islands	VI	N							.0
56.	Northern Mariana Islands	MP	N							.0
57.	Canada	CAN	N							.0
58.	Aggregate other alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59.	Subtotal		XXX	164,837,756	.0	.0	.0	.0	164,837,756	.0
60.	Reporting entity contributions for Employee Benefit Plans		XXX						.0	
61.	Total (Direct Business)	(a)	1	164,837,756	0	0	0	0	164,837,756	0
DETAILS OF WRITE-INS										
58001.			XXX							
58002.			XXX							
58003.			XXX							
58998.	Summary of remaining write-ins for Line 58 from overflow page		XXX	.0	.0	.0	.0	.0	.0	.0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)		XXX	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.
Explanation of basis of allocation by states, premiums by state, etc.

Membership
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



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